

## THE VIRGINIA BOARD OF ACCOUNTANCY

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The Virginia Board of Accountancy (VBOA) met on Monday, August 16, 2010 in Board Room 2 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

**MEMBERS PRESENT:** Tyrone E. Dickerson, CPA, Chairman  
O. Whitfield Broome, Ph.D., CPA, Immediate Past Chairman  
Dian T. Calderone, MTX, CPA  
Lawrence D. Samuel, CPA  
Stephen D. Holton, CPA  
Andrea M. Kilmer, CPA, CFF

**MEMBERS ABSENT:** Regina P. Brayboy, MPA, MBA

**STAFF PRESENT:** Wade A. Jewell, Executive Director  
Dreana L. Gilliam, Board Administrator

**OTHERS PRESENT:** Cynthia H. Norwood, Senior Assistant Attorney General

**STAFF PRESENT FOR  
A PORTION OF  
THE MEETING:** Jean Grant, Enforcement Manager

**PRESENT FOR A  
PORTION OF  
THE MEETING:** William E. Hunt, Jr., CPA  
Maureen Dingus, Executive Vice President, Virginia Society of  
Certified Public Accountants  
Emily Walker, Government Affairs Director, Virginia  
Society of Certified Public Accountants  
James Walker, CPA, Immediate Past Chairman, Virginia Society of  
Certified Public Accountants  
Bradford R. Jones, CPA, Board Chairman, Virginia Society of  
Certified Public Accountants

### CALL TO ORDER

Chairman Dickerson called the meeting to order at 10:01 a.m.

### SECURITY BRIEFING

Ms. Gilliam provided the emergency evacuation procedures. Following the security briefing Chairman Dickerson welcomed new board member, Andrea M. Kilmer, to the VBOA.

## **DETERMINATION OF QUORUM/APPROVAL OF AGENDA**

After the declaration of a quorum, upon a motion by Mr. Holton and duly seconded, the members voted unanimously to approve the August 16, 2010 agenda with amendments. The members voting “**AYE**” were Mr. Holton, Ms. Calderone, Mr. Samuel, Mr. Dickerson, Ms. Kilmer, and Dr. Broome.

## **APPROVAL OF MEETING MINUTES**

Upon a motion by Dr. Broome and duly seconded, the members voted unanimously to approve the June 30, 2010 meeting minutes with amendments as identified by Ms. Norwood.

## **APPOINTMENT OF COMMITTEE CHAIRS/MEMBERS FOR FY11**

Chairman Dickerson deferred the appointments to a later date.

## **PUBLIC COMMENT**

Members of the public were in attendance and were asked to introduce themselves. No public comment was made at this time.

Chairman Dickerson thanked the VSCPA for their continued support in meeting VBOA objectives. Going forward the VBOA is looking forward to continuing the partnership.

Mr. Samuel presented members of the VSCPA with items for inclusion in the VSCPA archives.

## **BOARD MEMBER/COMMITTEE UPDATES**

Committee chairs provided brief summaries for the benefit of the VBOA’s newly appointed board member, Mrs. Andrea M. Kilmer.

Ms. Calderone, as chair of the Communications Committee, provided a brief summary of the committee’s duties and responsibilities. The committee is charged with improving the lines of communications between the VBOA and the public, regulants, CPA Exam candidates and Virginia educators. Improved communication practices will enhance the efficiency and effectiveness of the agency.

Ms. Calderone has compiled a list of all accounting department chairs. She is currently in the process of preparing draft correspondence for distribution to the accounting department chairs to request a point of contact for receiving VBOA updates and notifications, and someone who will communicate with respective students. In addition, she is also preparing draft correspondence to send to Delegate Oder of the Governor’s Reform Commissions Simplification Committee with information relative to the VBOA’s independent status. Both documents will be sent to Mr. Jewell for review and distribution.

Mr. Samuel, as chair of the Website/FAQ committee, provided a brief summary of committee duties and responsibilities. He also provided a brief history of the VBOA’s simplification of the statutes and regulations.

In support of the Website/FAQ project, Mr. Jewell provided a brief summary of the Department of Health Professions (DHP) responsibilities as VBOA’s IT support. Mr. Jewell and Mr. Samuel are currently working on the licensing portion of the website redesign in preparation for submission to DHP. A screening of the new and improved VBOA website is tentatively scheduled for review during the October meeting.

Mr. Samuel is currently reviewing frequently asked questions to include in the website redesign.

Mr. Hunt, as the former chair of the PROC Committee, provided a brief summary of committee duties and responsibilities. The committee is charged with oversight of the peer review program administered by the VSCPA and various others to ensure compliance. Although still in its infancy, requests for volunteer committee members have been sent to licensed Virginia CPA firms. In addition, the notice has been posted on the VBOA website homepage. The search for qualified members is currently underway, with a deadline of today (8/16/10) for submission of resumes.

Mr. Hunt, as the former chair of the Ethics Committee, provided a brief overview of the committee's responsibilities. The Ethics Committee met on August 5<sup>th</sup> and developed a proposed outline. Preparation of the 2011 Ethics Outline draft is in progress by VBOA staff and will be presented to the board at the September 16<sup>th</sup> meeting for review and approval.

Mr. Holton, as chair of the Regulatory/Legislative Committee, provided a summary of the regulatory process and a status update of the current fast-track regulation. The fast-track regulation is midway through the required 30-day public comment period. The VBOA has submitted a separate fast-track package to solely address the education requirement issue as a "place-holder" in case the current regulatory package is not promulgated through the fast-track process. As of August 16, 2010, the VBOA has received one comment and a response has been forwarded. The regulations are scheduled to become permanent on September 16, barring any significant issues.

## **EXECUTIVE DIRECTORS REPORT**

Mr. Jewell continues to attend the Governor's Commission on Reform and Restructuring meetings. There is one sub-committee in particular that has gone on record to state that they have identified numerous boards and commissions which can possibly be eliminated. The actual consolidation or restructuring of Boards in general has not been mentioned in public meetings. Mr. Jewell will closely monitor their activity. Per the committee chairman, any agencies impacted will have an opportunity to provide comments.

Delegate Oder, Chairman of the Simplification Committee, discussed at the latest full-Commission meeting, the possibility of some state employees/agencies going to a 4 day, 10 hour workweek. However, this has not been discussed at any of the committee meetings to date.

The VBOA has NASBA, VSCPA, and the CPA community's support to remain autonomous/independent. Mr. Jewell will continue to attend the meetings and will speak up if necessary. A report on the committee findings should be published in December.

Mr. Jewell was invited to speak at the College of William and Mary today at their Masters in Accounting orientation program. However, Mary Charity, Licensing/Examinations Manager had traveled to William and Mary on his behalf.

Systems Automation (SA) continues work on the Internet browser issue. Mr. Jewell is scheduled to visit the SA office in Baltimore on August 26 to discuss his concerns and agency needs regarding system issues. Mr. Jewell also hopes to speak with SA regarding the ability to attach .pdf documents to the records of each regulant.

The VBOA has received approximately 650 responses from regulants in response to the letter requesting corrections to the initial date of licensure (11/17/1858) data conversion error.

Mr. Jewell and Mr. Hunt attended the VSCPA Board of Directors meeting on July 29, 2010. They provided an overview of current board activities.

The VBOA October meeting will be held at Virginia Commonwealth University (VCU). Mr. Jewell and Ms. Gilliam are planning a visit to the location to ensure they are able to meet the needs of the board. In addition, Mr. Jewell has had a preliminary discussion with University of Richmond (U of R) and VBOA has tentatively scheduled its spring meeting on the U of R campus.

Mr. Jewell led the discussion regarding the Tennessee Board of Accountancy letter submitted in response to NASBA's selection of a replacement CEO. The letter expressed concern regarding the possibility that the position could be filled by a non-CPA. Mr. Jewell read a response he had received from John Peace, Chair of NASBA's CEO Search Committee, which provided a summary of the selection process. Advertisement for the position has been posted in numerous publications.

Mr. Jewell requested guidance from the members regarding organizations outside of the United States who wish to be recognized as meeting Virginia's educational and licensure requirements, such as Chartered Accountants. The VBOA has recently received a request from the Republic of Liberia General Auditing Commission to be recognized as meeting Virginia requirements.

Dr. Broome responded by discussing the role of the International Qualifications Appraisal Board (IQAB), jointly established by the American Institute of CPAs (AICPA) and the National Association of State Boards of Accountancy (NASBA). IQAB evaluates non-U.S. accountancy certifications (e.g., the CA in Canada) to determine if they are substantially equivalent to the U.S. CPA. If so, IQAB may negotiate a reciprocity agreement and recommend its adoption by state boards of accountancy. If adopted by a state board of accountancy, candidates with a recognized certificate from a foreign country are required to take only one special four and one-half hour examination instead of the complete CPA Examination totaling 14 hours. The Virginia Board has relied on IQAB to make these determinations because it has the resources and is well qualified to do so. Mr. Jewell will inform the Republic of Liberia that they must first go through the IQAB process and be formally recognized before Virginia will consider their qualifications.

Mr. Jewell led the discussion regarding travel restrictions. He requested board consideration regarding his attendance at the NASBA Executive Directors, Regional and Annual meetings. Following a general discussion, Mr. Dickerson advised that Mr. Jewell should attend the NASBA Executive Directors and Regional meetings. One or more members of the board should attend the Annual meeting. The 2010 Annual meeting will be held in San Antonio, Texas from October 24-27. Mr. Dickerson and Dr. Broome agreed to attend the meeting. Mr. Jewell will submit travel requests to the Secretary's Office for approval.

Mr. Jewell led the discussion regarding VBOA financial reports for the fiscal year ending June 30, and the month ending July 31, 2010. He provided handouts and a summary for review and discussion. The FY11 approved budget will require an increase in appropriation. Mr. Jewell will request the increase as the need arises during the fiscal year.

Revisions have been made to the approved FY11 budget as a result of a 110% rate increase by VITA. Per VITA, the rate increase is due to server/storage usage. Mr. Jewell is currently working with DHP to house VBOA data on their servers. DHP fees will be significantly less than the current VITA rate.

Mr. Jewell led the presentation and discussion of the VBOA Board Reports for the fiscal year ending June 30, and the month ending July 31, 2010. Information now presented provides a comparison of statistics for the current month-to-date, previous year's month-to-date, and four previous year-to-date statistics.

Mr. Jewell led the discussion regarding NASBA's Accountancy Licensing Database (ALD). The agreement has been reviewed and edited with suggested changes by Ms. Norwood, and submitted to NASBA. NASBA did not voice any concerns regarding the revisions to the agreement as recommended by legal counsel. The VBOA will tentatively submit information to NASBA weekly. The data provided will closely mirror CPA lookup on the VBOA website.

Upon a motion by Mr. Samuel and duly seconded, the members voted unanimously to approve the ALD agreement with NASBA.

## **RECESS FOR BOARD LUNCH**

## **RECONVENE**

Mr. Jewell provided a summary of the previously approved FY11 budget for discussion, with proposed changes based on VITA's rate increase. Following a review, discussion and upon a motion by Dr. Broome and duly seconded, the members voted unanimously to approve the revised FY11 budget.

Mr. Holton provided a detailed review of the proposed fee adjustment, outlining the key factors driving the projected transactions and expenditures. Mr. Holton reminded the board members of previous meeting discussions and of the significant detail and documentation supporting the revised fee structure. Following a review of the supporting documents presented at the meeting, a detailed discussion and upon a motion by Mr. Holton and duly seconded, the members voted unanimously to approve the proposed fee structure as revised.

## **BEGIN CLOSED MEETING**

Upon a motion by Dr. Broome, and duly seconded, the members approved by unanimous vote that the meeting be recessed and the VBOA immediately reconvene in closed meeting to discuss and consider a disciplinary matter relating to enforcement case 2009-0033 lawfully exempted from open meeting requirements within the jurisdiction of the VBOA as permitted by § 2.2-3711.A.27 of the *Code of Virginia*. The following non-members were in attendance to reasonably aid the consideration of the topic: Jean Grant, Enforcement Manager, Cynthia H. Norwood, Senior Assistant Attorney General and Wade A. Jewell, Executive Director.

The members voting "AYE" were Mr. Dickerson, Mr. Samuel, Ms. Calderone, Ms. Kilmer, Mr. Holton, and Dr. Broome.

Ms. Grant provided an overview of Case #2009-0033; the members reviewed the board final order with its findings of fact, conclusions of law and actions.

Due to their involvement with this case, Mr. Dickerson and Mr. Holton were not present and did not participate in the discussion or vote.

## **END CLOSED MEETING**

Upon a motion by Ms. Calderone, and duly seconded, the VBOA approved by unanimous vote that the closed meeting, as authorized by § 2.2-3712.A of the *Code of Virginia*, be adjourned and that the VBOA

immediately reconvene in open public meeting. The members voting “**AYE**” were Mr. Samuel, Ms. Calderone, Ms. Kilmer, and Dr. Broome.

Upon a motion by Ms. Calderone, and duly seconded, the VBOA made the following certification by roll call vote:

WHEREAS, the VBOA has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision of the Virginia Freedom of Information Act; and WHEREAS, § **2.2-3712.A** of the *Code of Virginia* requires a certification by this VBOA that such closed meeting was conducted in conformity with Virginia law; NOW THEREFORE, BE IT RESOLVED that the VBOA hereby certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the VBOA.

**CALL FOR VOTE:**

Dian T. Calderone, MTX, CPA – Aye  
O. Whitfield Broome, Ph.D., CPA – Aye  
Lawrence D. Samuel, CPA – Aye  
Tyrone E. Dickerson, CPA – No Vote  
Stephen D. Holton, CPA – No Vote  
Regina P. Brayboy, MPA, MBA – Absent/No Vote  
Andrea M. Kilmer, CPA, CFF – Aye

**VOTE**

AYES: Four (4)

NAYS: None.

ABSENT DURING VOTE: Mr. Dickerson and Mr. Holton

ABSENT DURING MEETING: Ms. Brayboy.

The following actions were taken as a result of the closed meeting:

**File Number 2009-0033 (Turner) (*Dickerson & Holton*)**

In the matter of **File Number 2009-0033** (Turner), Ms. Turner was not present nor represented by counsel:

Upon a motion by Mr. Samuel, and duly seconded, the board by unanimous vote amended the recommendations of the presiding officer. The members voting “**AYE**” were Mr. Samuel, Ms. Calderone, Ms. Kilmer, and Dr. Broome.

**FUTURE MEETING DATES**

Thursday, September 16, 2010 – 10 a.m./Virginia Housing Center/VHDA Innsbrook location  
Wednesday, October 20, 2010 – 10 a.m./VCU campus  
Tuesday, November 30, 2010 – 10 a.m./Board Room #3  
Wednesday, December 15, 2010 – 10:00 a.m./Board Room #3

**CONFLICT OF INTEREST FORMS/TRAVEL EXPENSE VOUCHERS**

Chairman Dickerson asked the members to complete and sign their conflict of interest forms, and to complete and sign their travel expense vouchers.

**ADJOURNMENT**

There being no further business before the VBOA, upon a motion by Mr. Dickerson and duly seconded, the meeting was adjourned by unanimous vote at 2:46 p.m. The members voting “**AYE**” were Mr. Dickerson, Mr. Samuel, Ms. Calderone, Ms. Kilmer, Mr. Holton, and Dr. Broome.

**APPROVED:**

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Tyrone E. Dickerson, CPA, Chairman

**COPY TESTE:**

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Wade A. Jewell, Executive Director